## GENERAL AND SPECIAL RELEASE

In consideration of the return of the 1987 VW, California License Plate Number 2JPM563, and for other good and valuable consideration, receipt of which is hereby acknowledged, the undersigned, HOWARD HERSHIPS (hereinafter called the "Releasor"), does hereby forever release and discharge OFFICER STEPHEN SEALY; CITY OF FOSTER CITY; FOSTER CITY POLICE DEPARTMENT; and PALM AVENUE MOTORS, INC sued as PALM AVENUE TOWING (DBA) and LOS PRADOS TOWING and any of their subsidiaries, parent corporations, officers, directors, agents, insurers, reinsurers, attorneys, servants or employees, and all others (hereinafter collectively called the "Releasees") from any and all actions, causes of action, obligations, costs, damages, losses, claims, liabilities and demands (including claims arising out of contract), arising out of or in any way connected with or resulting from the incident of March 31, 2007, the seizure of the 1987 VW and all of those matters set forth in the UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION, Action No. C 07,2425 JCS, as a result of which damages were alleged to have been sustained by HOWARD HERSHIPS.

This is a full and final Release of any and all claims arising out of the matters set forth above. The undersigned agrees as a further consideration and inducement for this compromise that this Release extends to all claims of every nature and kind whatsoever, known or unknown, suspected or unsuspected, regarding the matters set forth above, and all rights under Section 1542 of the Civil Code of the State of California are hereby expressly relinquished and waived by the undersigned. Said section reads as follows:

1

## SECTION 1542, GENERAL RELEASE.

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The undersigned further expressly agrees that this Release shall be binding upon all successors and assigns and shall inure to the benefit of Releasees, and each of them. The undersigned further represents that any approvals of this settlement required to be obtained by the undersigned have been obtained and that he is expressly or otherwise fully authorized to release and discharge Releasees as described herein.

The Releasees, or anyone acting on their behalf, are directed to return the 1987 VW vehicle to HOWARD HERSHIPS, who represents that he has full and sole title to the vehicle.

It is further understood and agreed that this settlement is the compromise of a disputed claim, that the return of the vehicle is not to be construed as an admission of liability to the undersigned by the Releasees, and that any liability is expressly denied.

It is further understood and agreed that this General and Special Release is entered into in the State of California and shall be construed according to the laws of the State of California.

The undersigned hereby expressly agrees to defend, protect, indemnify and save harmless Releasees from any loss, claim, expense, demand or cause of action in any way arising from any claim, lien, attorney lien, subrogation claim, or any other legal expense in any way related to a claim of ownership of the 1987 VW by anyone else. The undersigned further expressly agrees to defend, protect, indemnify and save harmless Releasees from any loss, claim, expense, demand or cause of action in any way arising from any claim, lien, attorney lien, subrogation claim, or any other legal expense in any way related to the incident which is the subject matter of this release, as described above.

The undersigned hereby expressly represents that said occurrence did not arise out of or in the course of any employment of the undersigned, and no claim has been made against any employer or employer's insurance carrier under the Workers' Compensation provisions of the Labor Code of the State of California by reason of any injuries sustained.

IN WITNESS WHEREOF, the undersigned does hereby execute this Release the day of June, 2007.

Civil Code § 1189 STATE OF CALIFORNIA County of San Mater

On this day of June, 2007 before me, (here insert name and title of the officer) Steven fact Mollibers, personally appeared

personally known to me (or proved Howard Llessies to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.